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U.S. moving to scrambler phones

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Some experts believe a shortage of secure scrambler telephones and carelessness by officials who sometimes are too impatient to use them are giving away national secrets to foreign powers.

"We're getting eaten alive by the bad guys," said one official, who spoke on the condition he not be identified. Expanding the network of secure phones "has always been a low priority because of the cost," he said.

But with government officials more aware of the potential damage of losing vital national security information, a new network of secure phones — capable of scrambling transmissions before they pass through the atmosphere where they can be intercepted — is being developed under a \$44 million National Security Agency contract.

With delivery scheduled to begin in 1987, at least 500,000 of the new phones will be installed at government desks and in the offices of defense contractors, who often deal with classified information. As many as 2 million of the phones are expected to be bought by other firms in the private sector, including major corporations, high-tech companies and financial institutions, the NSA says.

NSA, part of the nation's intelligence network, is in charge of protecting government communications and listening in on the communications of foreign powers.

"We want to get [sensitive information] scrambled and get people used to that. People are just so used to using [unsecure] phones," said Sen. Patrick J. Leahy, Vermont Democrat, vice chairman of the Senate Intelligence Committee.

"People get careless because there are a limited number" of secure phones, he said. "It's like someone who says, 'I can leave the safe open for a few minutes while I run down the hall.' Once they're more available, that will stop."

The government won't say how many secure phones it has. J.C.

Sharp, deputy chief of information policy at the NSA, said the information is classified because it would "indicate to adversaries what the size of the effort is."

But the source said the government's network of secure phones is not much larger than it was in the late 1950s.

Officials declined to cite any examples where an unscrambled phone transmission harmed national security. But they mentioned a conversation last week in which President Reagan discussed plans to intercept an Egyptian airplane carrying the Palestinian

hijackers of a cruise ship.

Mr. Reagan and Defense Secretary Caspar W. Weinberger were in separate planes when their conversation occurred. It was overheard by an amateur radio operator.

Presidential spokesman Larry Speakes said the president, aboard Air Force One, did not use the aircraft's secure communications system because he was trying to save time.

Last March, the NSA selected RCA, Motorola and American Telephone & Telegraph Co. to develop the new phones. The companies are required under the contract to deliver prototypes by the middle of next year and to begin delivering the new phones the following year, Mr. Sharp said.

Unlike the secure phones now used by government officials that cost \$9,000 or more per phone, the price of the new ones is expected to be closer to \$2,000, he said.

The device takes a person's voice and rearranges it into a group of random sounds that sound like meaningless noise until they get to the other end and are put back in proper order.

The new generation of secure

phones is expected to be the size of a standard multi-line office phone. It will translate voice into digital signals. Computer chips will rearrange their order in a seemingly senseless pattern and sort it out at the receiving end. The process works so fast that neither party to the conversation is aware of any delay.

The new phones will be much smaller than the current ones, which consist of a desk-type phone accompanied by a scrambling and decoding unit about the size of an electric typewriter weighing nearly 70 pounds.

The new generation will look like a conventional desk-top phone. Its scrambling mechanism will be a unit about the size of a pack of chewing gum, which is inserted into the phone when linked to another secure phone. They also will provide better sound quality than some of the older models now in use, which make people sound like Donald Duck, Mr. Sharp said.

Mr. Leahy, who sometimes uses the secure telephone in the Intelligence Committee room in the Hart Senate Office Building on Capitol Hill, said a big problem now is that officials forget about the importance of security or don't anticipate that sensitive information will come up during a conversation.

"It's not that we're afraid someone will say, 'We'll attack tomorrow.' What they might do is send data [on a facsimile machine over telephone circuits], but that can just as easily be picked up," he said.